SPRINT PLAN



Example

If: Subsidy based on

Nat'l Benchmark price, \$100

Existing USF \$5

Net Increase in USF \$95

Then:

Access Subsidy Reduction

CCC total CCLC Revenues = \$80

CCLC Revenue Reduction \$80

RIC Total RIC revenues = \$20

RIC Revenue Reduction \$15

(\$95-\$80)

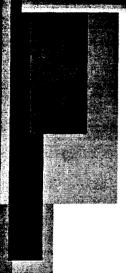
Total Access subsidy reduction

♦ Sprint.

\$95



SPRINT PLAN FUNDING

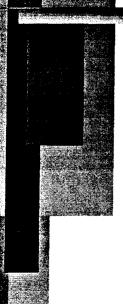


- All Providers of Telecommunications Services
 Will Pay Into the Fund Based on billed
 Revenues
 - Collected as surcharge on customer bills
- Payments Will Be Equitable and Nondiscriminatory Among Carriers
- State Funding to Be Provided by All Carriers Providing Intrastate Services





SPRINT PLAN ADMINISTRATION OF FUND

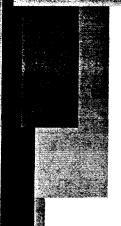


- A Neutral Administrator Will Be Appointed by the FCC and PUC to:
 - Annually Update the Fund
 - Collect Funding Dollars
 - Distribute Funds to Eligible Telecommunications
 Carriers (ETC)





SPRINT PLAN FUND ADMINISTRATOR DUTIES



- Maintain Database by CBG Containing;
 - -Households Eligible for Support
 - -Support Available Per Household
 - Qualification of ETCs
 - Households Served by ETCs





SPRINT PLAN SIZE OF FUND

- Funding Administrator Will Develop Funding
 - Determine Quantity of Qualifying Access Lines by CBG
 - Sum CBGs to Determine Annual Amount Needed
 - Assessments will be Made to All
 Providers of Telecommunication Services
 Based on Revenues, Net of Payments to
 Intermediaries
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